

Assigned DOGM File No.: S 10451 068

DOGM Lead: _____

Permit Fee \$ _____ Ck # _____

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291 Fax: (801) 359-3940

NOTICE OF INTENTION TO COMMENCE SMALL MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1987, and the General Rules as promulgated under the Utah Minerals Regulatory Program.

"Small Mining Operations" means mining operations which disturb five or less surface acres at any given time.

I. GENERAL INFORMATION (Rule R647-3-104)

1. **Name of Mine:** Academic-One
2. **Name of Entity Applying for Permit:** R.E. Miller
Contact (Authorized Officer): R.E. Miller
Address: N 15607 Timberwood Court
City, State, Zip: Spokane, WA 99208
Phone: (509)435-2323 **Fax:** (509)466-2017
E-mail Address: rem2161@yahoo.com

Entity is a: Corporation () LLC () Sole Proprietorship (dba) ()
Partnership () General _____ or _____ limited
Individual (x) Other () – specify type _____

Entity must be registered (and maintain registration) with the State of Utah, Division of Corporations www.commerce.utah.gov.

Are you currently registered to do business in the State of Utah? ☐ Yes ☒ No
Entity # N/A

Local Business License # N/A
Issued by: County _____ or City _____

Registered Utah Agent (as identified with the Utah Department of Commerce):

Name: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

RECEIVED

OCT 27 2006

DIV. OF OIL, GAS & MINING

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

3. **Entities Representative (if different from #2)**
Name: 0. Jay Gatten c/o North American Exploration Inc.
Address: 447 North 300 West Suite #3
City, State, Zip: Kaysville, Utah 84037
Phone: (801)544-3421 Fax: (801)544-4554
E-mail Address: oigatten@nae-xploration.com
4. **If Partnership or Sole Proprietor:**
Name of 1st partner / Sole Proprietor:
Name _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____
- If Partnership:**
Name of 2nd Partner: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____
- If Corporation:**
Name of Officers: _____ Title: _____
_____ Title: _____
_____ Title: _____
_____ Title: _____
- If Limited Liability Company:** Member Managed ☐ Manager Managed ☐
Name of 1st Member/Manager: _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____
- Name of 2nd Member/Manager:** _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____
- Name of 3rd Member/Manager:** _____
Address: _____
City, State, Zip: _____
Phone: _____ Fax: _____
E-mail Address: _____

APPROVED

MAR 08 2007

DIVISION OF OIL GAS & MINING

5. **Ownership of Land Surface:**

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐

State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name BLM Utah Office Address 440 W. 200 S. Suite 500 SLC, UT 84101

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

Ownership of Minerals:

Private (Fee) ☐ Public Domain (BLM) ☒ National Forest (USFS) ☐

State Trust Land/School Sections ☐ State Sovereign Lands ☐

Other (please describe): _____

Name BLM Utah Office Address 440 W. 200 S. Suite 500 SLC, UT 84101

Name _____ Address _____

Name _____ Address _____

Name _____ Address _____

BLM Lease or Project File Number(s) and/or USFS assigned Project Number(s): _____

BLM Claim Numbers _____ Pending _____

Utah State Lease Number(s): _____ N/A _____

Name of Lessee(s) _____ N/A _____

7. **Have the above surface and mineral owners been notified in writing?**

Yes X No _____

If no, why not? Written Notification Herein

*Please be advised that if State Trust Lands are involved, notification to the Division of Oil, Gas and Mining alone does not satisfy the notification requirements of Mineral Leases upon State Trust Lands. Exploration or mining activity on State Trust Lands requires a minimum of 60 days notice to the Trust Lands Administration **prior** to commencing any activities. Please contact the School Institutional Trust Lands Administration (SITLA) at (801) 538-5508 for notification requirements.*

8. **Does the Entity have legal right to enter and conduct mining operations on the land covered by this notice?** Yes X No _____

II. PROJECT LOCATION & MAP (Rule R647-3-105)1. **Project Location** (legal description):County(ies): Tooele County, Utah

SE 1/4, of SE 1/4, of NW 1/4: Section: 5 Township: 1N Range: 12W
SW 1/4, of SE 1/4, of NW 1/4: Section: 5 Township: 1N Range: 12W
NW 1/4, of SE 1/4, of NW 1/4: Section: 5 Township: 1N Range: 12W

UTM East 311893 (if known) UTM North 4524343 Zone 12 (If known)Name of Quad Map for Location: Grayback Hills, Utah

2. An accurate topographic base map showing the location of the proposed small mining operation must be submitted with this notice. The areas to be disturbed including access roads, must be plotted in sufficient detail so that they can be located on the ground. It is recommended that the Permittee / Operator also photo document, plot and label any pre-existing disturbances in the immediate vicinity that he is not responsible for.
3. The proposed (5 acre or less) disturbed area boundary (including access/haul roads) should be marked in the field ON THE GROUND with metal T-Posts (or with some other marker of equal effectiveness). Markers should be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

III. OPERATION PLAN (Rule R647-3-106)

1. **Type of mining:** Surface ☒ Underground ☐
2. **Mineral(s) to be mined:** Gypsum, Oolite, and Silica
3. **Amount of material to be extracted, moved or proposed to be moved:** 100,000 Tons
4. **Will any water, liquid chemicals, reagents, or other solutions be used, produced or discharged as part of the mining or milling process?**
 Yes ☐ No ☒ If yes, please describe (add extra pages if needed)

5. **Provide a brief description of the proposed mining operation and onsite processing facilities (add extra pages if necessary).** See attached sheet.

6. ☐ **New Road(s):** Length None (ft) Width _____ (ft)
7. ☐ **Improved Road(s):** Length None (ft) Width _____ (ft)

The mining operation will be confined to the five acre mining site. The process for extracting the material is to use two three yard front end loaders, one for mining the material and one for loading the material in trucks. If the gypsite material becomes tightly packed at depth, or if the material needs to be mined from above a tracked loader or excavator will be used. This material will be initially screened on site, but in the future an offsite screening facility is in the works. Fluids that would be used in the operation will be for the equipment these fluids contain but are not limited to fuel, fresh water, oil, hydraulic oil, antifreeze and grease. There is an existing road to the mine site and will be used as a haul road to truck the material out of the mine site. The reclamation procedure is part of the mine plan whereby enough material will be left in place such that the remaining gypsite can be shaped into a lower profile dune replicating the shape of the original dune. Estimation is that after mining the easterly facing foreset bed, remaining material will be about three feet in height and tapering to the West to about one to two feet in height. Some of the reclamation technique will depend on how vibration from the mining equipment affects the brine water at depth; this might cause less material to be mined.

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

8. Total project surface acreage to be disturbed: 5 (acres) **PLEASE SPECIFY EXACT ACREAGE - (this will be used to determine surety bond amount – see #VI).**
9. Proposed startup date of project (month, year) November, 2006
10. Proposed completion date of project, if known (month, year) Unknown

IV. OPERATION AND RECLAMATION PRACTICES (Rule R647-3-107, 108 & 109)

The reclamation and operation obligation is to keep the area clean and safe, minimize hazards to public safety, return the land to a useful condition, and reestablish at least 70 percent of the premining vegetative ground cover. To accomplish this, the Permittee / Operator will need to perform reclamation concurrently, or at the completion (within one (1) year) of mining. Please refer to The Practical Guide to Reclamation in Utah, available at www.ogm.ut.gov.

1. *Keep the mining operation in a safe, clean, and environmentally stable condition.*
2. *Permanently seal all shafts and tunnels to prevent unauthorized or accidental entry.*
3. *Plug drill holes with a five foot cement surface plug. Holes that encounter fluids are to be plugged in the subsurface to prevent aquifer contamination.*
4. *Construct berms, fences, or barriers, when needed, above highwalls and excavations.*
5. *Remove, isolate, or neutralize all toxic materials in a manner compatible with federal and state regulations.*
6. *Remove all waste or debris from stream channels.*
7. *Dispose of any trash, scrap metal, wood, machinery, and buildings.*
8. *Conduct mining activities so as to minimize erosion and control sediment.*
9. *Reclaim all roads that are not part of a permanent transportation system.*
10. *Stockpile topsoil and suitable overburden prior to mining.*
11. *Stabilize highwalls by backfilling or rounding to 45 degrees or less, where feasible; reshape the land to near its original contour, and redistribute the topsoil and suitable overburden.*
12. *Properly prepare seedbed to a depth of six inches by pocking, ripping, discing, or harrowing. Leave the surface rough.*
13. *Reseed disturbed areas with adaptable species. (The Division recommends a mixture of species of grass, forb, and browse seed, and will provide a specific species list if requested.)*
14. *Plant the seed with a rangeland or farm drill, or broadcast the seed. Fall is the preferred time to seed.*

V. VARIANCE REQUEST (Rule R647-3-110)

Any variance request must be approved in writing by the Division

Yes ☐ No ☒

Any planned deviations from Rules R647-3-107, Operation Practices, R647-3-108, Hole Plugging Requirements, or R647-3-109, Reclamation Practices, as summarized above (see IV. **Operation and Reclamation Practices** Item # 1-14), should be identified below listing applicable rule number. Give justification for the variance(s) and alternate methods or measure to be utilized. A variance shall be granted if the alternative method or measure proposed will be consistent with the Act.

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

1st Variance Requested

Item # _____ Applicable Rule # (i.e. R647-3-109.10 (if you did not want trenches & pits reclaimed)) _____
Justification: _____
Alternate methods or measure to be utilized: _____

2nd Variance Requested

Item # _____ Applicable Rule # _____
Justification: _____
Alternate methods or measure to be utilized: _____

3rd Variance Requested

Item # _____ Applicable Rule # _____
Justification: _____
Alternate methods or measure to be utilized: _____

Attach additional page if more variances are requested.

VI. SURETY (Act 40-8-7(1)[c])

A reclamation contract and surety must be provided to and approved by the Division prior to commencement of operations.

The Utah Mined Land Reclamation Act (40-8-7 (1)[c] and 40-8-14 provides the authority that all mining operations furnish and maintain reasonable surety to guarantee that the land affected is reclaimed according to accepted *notices* consistent with on-site conditions.

The surety amount is based on the nature, extent and duration of operations. *The surety amounts are based on data from current large mine surety and are used as a general guide, along with actual site conditions.*

Surety for small mines sites will be escalated three (3) years to the future. Contact the Division for dollar amount required for this project.

I have provided or will provide surety in the form of:

☐ Certificate of Deposit ☐ Letter of Credit ☐ Surety Bond ☒ Cash (certified funds)

☐ Other _____ (please identify)

VII. PERMIT FEE [Mined Land Reclamation Act 40-8-7(1)(i)]

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)(i)] provides the authority for the assessment of permitting fees. Commencing with the 1998 fiscal year (July 1 - June 30), permit fees are assessed to new and existing notices of intention, and annually thereafter, until the project disturbances are successfully reclaimed by the Permittee / Operator and released by the Division.

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

Small Mine Notices require a \$150.00 fee which must accompany this application or it cannot be processed by the Division.

NOTICE: The following person(s) are authorized and designated to receive Notices of Violations, Cessation Orders and all other Notices required by the Division to be given to the permittee or operator:

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

Name: _____

Address: _____

City, State, Zip: _____

Phone: _____ Fax: _____

E-mail Address: _____

VIII. SIGNATURE REQUIREMENT

(Please check the box and place your initials on the line provided)

☒ I have enclosed the required permit fee.

☐ I have enclosed a complete Reclamation Contract (Form MR-RC) and the appropriate reclamation surety amount or have made arrangements as to when the surety will be furnished.

☒ I understand that I am not authorized to create any surface disturbance until the surety amount is posted and approved in writing from the Division of Oil, Gas and Mining and any other authorized regulatory agency.

CERTIFICATION

I state under penalty of perjury under the laws of the state of Utah and the United States of America that:

- I have read this form and declare the information, statements and/or documentation are true, correct and complete to the best of my knowledge and belief; AND
- I commit to the reclamation of the aforementioned small mining project as required by the Utah Mined Land Reclamation Act (40-8) and the rules as specified by the Board of Oil, Gas and Mining.
- This certification must be executed by an executive officer if the applicant is a corporation; by a partner if applicant is a partnership (general or limited); owner if applicant is a sole proprietorship; member or manager if applicant is a limited liability company.**

Signature: R.E. Miller

Date: Oct. 25, 2006

Name (typed or printed): R.E. Miller

Title/Position (if applicable): N/A

O:\FORMS\Notices\mr-smo-2005.doc

Legend

Red and White dashed line= existing road
Blue line= Mine permit boundary

Five
Acres

APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

RECEIVED

DEC 06 2006

DIV. OF OIL, GAS & MINING



R.E. Miller
ACADEMIC-ONE MINE

Section 5 T1N R12W
Tooele County, Utah
Scale 1"=200'

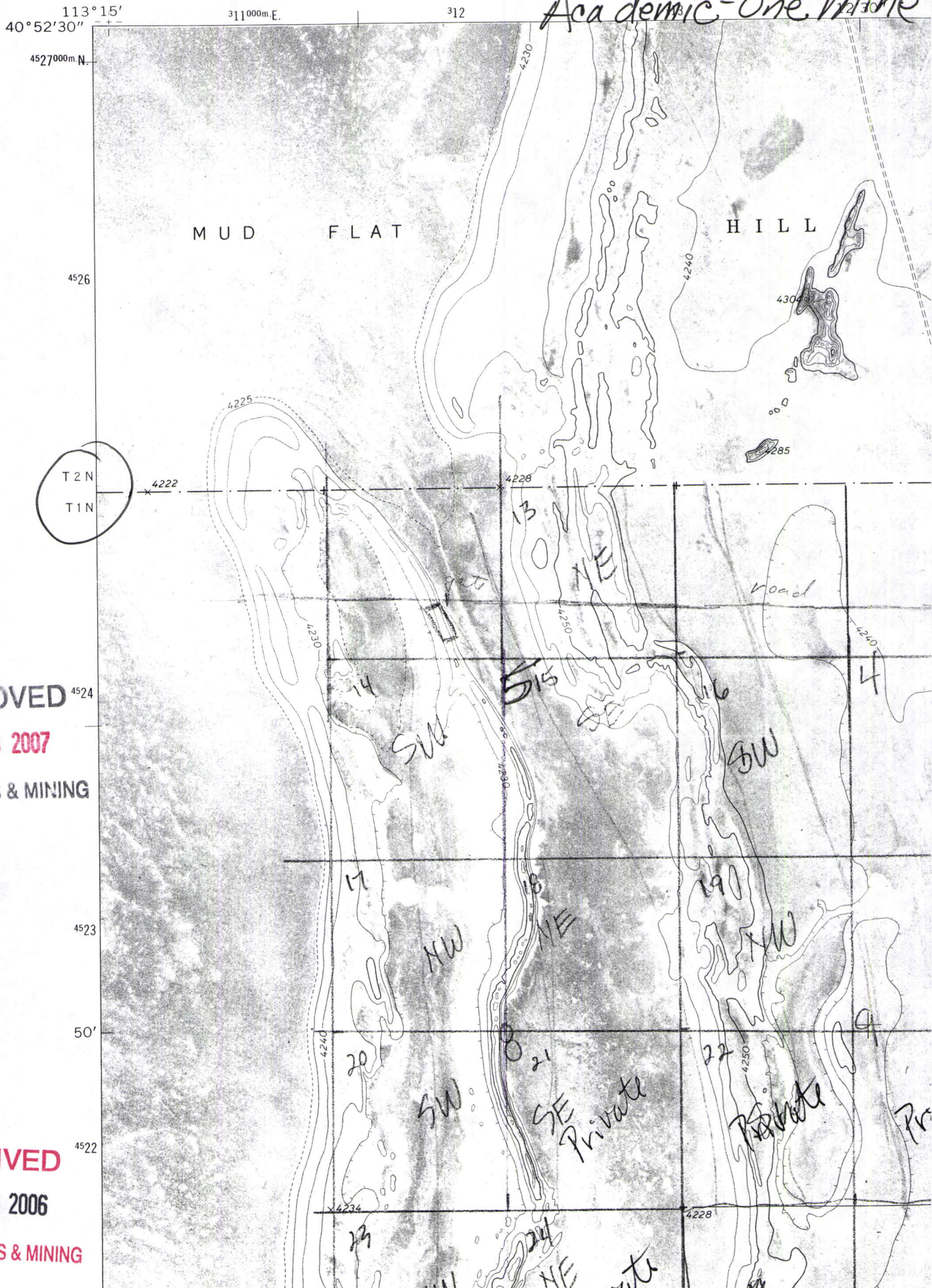
North American Exploration, Inc
Kaysville, Utah 84037

Figure 1

3365 IV NE
(KNOLLS 2 NE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Grayback Hills Quad
R.E. Miller
Academic-One Mine



APPROVED

MAR 08 2007

DIV. OIL GAS & MINING

RECEIVED

DEC 06 2006

DIV. OF OIL, GAS & MINING